



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

24 October 11, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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through collaboration with
community and university
partners*



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October 11, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at County facilities. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

- (1) Account Number LAC+USC MC – Various \$2,826
- (2) Account Number H-UCLA MC – Various \$4,662
- (3) Account Number H-UCLA MC – 1323276 \$5,000
- (4) Account Number LAC+USC MC – Various \$5,000
- (5) Account Number LAC+USC MC – Various \$14,120
- (6) Account Number LAC+USC MC – Various \$21,000
- (7) Account Number LAC+USC MC – Various \$21,185
- (8) Account Number LAC+USC MC – Various \$27,500
- (9) Account Number RLANRC - Various \$198,791

Total All Accounts: \$300,084

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) - (9) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$300,084.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts.

The Honorable Board of Supervisors

10/11/2011

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: OCTOBER 11, 2011

Total Gross Charges	\$31,355	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$31,355	Date of Service	Various
Compromise Amount Offered	\$2,826	% Of Charges	9 %
Amount to be Written Off	\$28,529	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$31,355 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost *	-	-	-
LAC+USC Medical Center **	\$31,355	\$2,826	19 %
Other Lien Holders **	\$3,748.80	\$3,748.80	25 %
Patient	-	\$3,425.20	23 %
Total	-	\$15,000	100 %

* The attorney agreed to waive his costs.

** Lien holders are receiving 44% of the settlement (19% to LAC+USC Medical Center and 25% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: OCTOBER 11, 2011

Total Gross Charges	\$641,286	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$641,286	Date of Service	Various
Compromise Amount Offered	\$4,661.75	% Of Charges	1 %
Amount to be Written Off	\$636,624.25	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$641,286 for medical services rendered. The patient was denied Medi-Cal and has ATP with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$676.50	\$676.50	5 %
H-UCLA Medical Center *	\$641,286	\$4,661.75	31 %
Other Lien Holders *	\$279,404.42	\$4,488.55	30 %
Patient	-	\$173.20	1 %
Total	-	\$15,000	100 %

* Lien holders are receiving 61% of the settlement (31% to H-UCLA Medical Center and 30% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: OCTOBER 11, 2011

Total Gross Charges	\$47,765	Account Number	1323276
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$47,765	Date of Service	10/21/10 – 10/26/10
Compromise Amount Offered	\$5,000	% Of Charges	10 %
Amount to be Written Off	\$42,765	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$47,765 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$123	\$123	1 %
H-UCLA Medical Center	\$47,765	\$5,000	33 %
Other Lien Holders	-	-	-
Patient	-	\$4,877	33 %
Total	-	\$15,000	100 %

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: OCTOBER 11, 2011

Total Gross Charges	\$34,036	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$34,036	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	15 %
Amount to be Written Off	\$29,036	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$34,036 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$115.47	\$115.47	1 %
LAC+USC Medical Center	\$34,036	\$5,000	33 %
Other Lien Holders	-	-	-
Patient	-	\$4,884.53	33 %
Total	-	\$15,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: OCTOBER 11, 2011

Total Gross Charges	\$67,770	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$67,770	Date of Service	Various
Compromise Amount Offered	\$14,120.07	% Of Charges	21 %
Amount to be Written Off	\$53,649.93	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$67,770 for medical services rendered. The patient is an out-of-county patient and no coverage was found. The patient's third party liability (TPL) claim settled for \$50,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$20,000	\$20,000	40 %
Lawyer's Cost	\$1,759.87	\$1,759.87	3 %
LAC+USC Medical Center **	\$67,770	\$14,120.07	28 %
Other Lien Holders **	\$2,830	\$2,830	6 %
Patient	-	\$11,290.06	23 %
Total	-	\$50,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and her attorney.

** Lien holders are receiving 34% of the settlement (28% to LAC+USC Medical Center and 6% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: OCTOBER 11, 2011

Total Gross Charges	\$44,717	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$44,717	Date of Service	Various
Compromise Amount Offered	\$21,000	% Of Charges	47 %
Amount to be Written Off	\$23,717	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$44,717 for medical services rendered. The patient has ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$16,500	\$8,000	16 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center **	\$44,717	\$21,000	42 %
Other Lien Holders **	\$1,474.49	\$1,474.49	3 %
Patient	-	\$19,525.51	39 %
Total	-	\$50,000	100 %

* The attorney agreed to reduce his fees from \$16,500 (33%) to \$8,000 (16%).

** Lien holders are receiving 45% of the settlement (42% to LAC+USC Medical Center and 3% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: OCTOBER 11, 2011

Total Gross Charges	\$51,499	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$51,499	Date of Service	Various
Compromise Amount Offered	\$21,185.38	% Of Charges	41 %
Amount to be Written Off	\$30,313.62	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$51,499 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$65,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$21,666.67	\$21,666.67	33 %
Lawyer's Cost	\$962.58	\$962.58	2 %
LAC+USC Medical Center *	\$51,499	\$21,185.38	33 %
Other Lien Holders *	\$4,649.91	\$2,842.50	4 %
Patient	-	\$18,342.87	28 %
Total	-	\$65,000	100 %

* Lien holders are receiving 37% of the settlement (33% to LAC+USC Medical Center and 4% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: OCTOBER 11, 2011

Total Gross Charges	\$83,056	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$83,056	Date of Service	Various
Compromise Amount Offered	\$27,500	% Of Charges	33 %
Amount to be Written Off	\$55,556	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved an automobile versus pedestrian accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$83,056 for medical services rendered. The patient qualifies for Section 1011 coverage and no other coverage was found. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$40,000	\$40,000	40 %
Lawyer's Cost	\$6,415	\$5,000	5 %
LAC+USC Medical Center **	\$83,056	\$27,500	27 %
Other Lien Holders **	\$1,475	\$500	1 %
Patient	-	\$27,000	27 %
Total	-	\$100,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

** This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holders will receive 28% of the settlement with the patient receiving the remaining 27%.

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: OCTOBER 11, 2011

Total Gross Charges	\$397,581.00	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$397,581.00	Date of Service	Various
Compromise Amount Offered	\$198,790.50	% Of Charges	50 %
Amount to be Written Off	\$198,790.50	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus a semi truck accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient gross charges of \$397,581 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$4,600,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$1,840,000	\$1,533,333.00	33 %
Lawyer's Cost	\$202,311.01	\$202,311.01	4 %
RLANRC *	\$397,581	\$198,790.50	4 %
Other Lien Holders *	\$995,916.25	\$497,958.13	11 %
Patient **	-	\$2,167,607.36	48 %
Total	-	\$4,600,000.00	100 %

* Lien holders are receiving 15% of the settlement (4% to RLANRC and 11% to others).

** The patient became a paraplegic with permanent brain damage as a result of the accident. He will receive 48% of the settlement as compensation for ongoing medical expenses and his inability to return to work.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.